


2010 REGULAR SESSION
ACTUARIAL NOTE HB 1337

House Bill 1337 HLS 10RS-260 Reengrossed with Senate Retirement Committee Amendment #5266, Legislative Bureau Amendment #5417 and Senate Floor Amendment # 5672 Author: Representative Joel C. Robideaux Date: June 18, 2010 LLA Note HB 1337.05 Organizations Affected: Louisiana state retirement systems REF -\$12,774,689 FC EX	The Note was prepared by the Actuarial Services Department of the Office of the Legislative Auditor.  David K. Greer, CPA Assistant Legislative Auditor and Director of Performance Audit and Actuarial Services
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Bill Header: RETIREMENT/STATE SYSTEMS: Relative to the state retirement systems, makes changes to the benefits for persons hired on or after January 1, 2011.

Cost Summary:

Actuarial Cost/(Savings) to Retirement Systems and OGB	Actuarial Cost, See Actuarial Analysis Below
Total Five Year Fiscal Cost	
Expenditures	(\$63,771,258)
Revenues	(\$59,648,220)

Estimated Actuarial Impact:

The chart below shows the estimated increase/(decrease) in the actuarial value of benefits, if any, attributable to the proposed legislation. Note: it includes the present value cost of fiscal costs associated with benefit changes. It does **not** include present value costs associated with other fiscal concerns.

<u>Actuarial Cost (Savings) to:</u>	<u>Increase (Decrease) in</u> <u>The Actuarial Present Value</u>
All Louisiana public retirement systems	See Actuarial Analysis Below
Other Post Retirement Benefits	\$0
Total	See Actuarial Analysis Below

Estimated Fiscal Impact:

The chart below shows the estimated fiscal impact of the proposed legislation. This represents the effect on cash flows for government entities including the retirement systems and the Office of Group Benefits, as well as other fiscal concerns.

EXPENDITURES	2010-11	2011-12	2012-13	2013-14	2014-15	5 Year Total
State General Fund	\$ (2,577,479)	\$ (7,732,436)	\$ (12,887,394)	\$ (18,042,352)	\$ (23,197,309)	\$ (64,436,970)
Agy Self Generated	13,245	51,656	112,705	194,158	293,948	665,712
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	0	0	0	0	0
Annual Total	\$ (2,564,234)	\$ (7,680,780)	\$ (12,774,689)	\$ (17,848,194)	\$ (22,903,361)	\$ (63,771,258)

REVENUES	2010-11	2011-12	2012-13	2013-14	2014-15	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	(2,385,929)	(7,157,786)	(11,929,644)	(16,701,502)	(21,473,359)	(59,648,220)
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	0	0	0	0	0
Annual Total	\$ (2,385,929)	\$ (7,157,786)	\$ (11,929,644)	\$ (16,701,502)	\$ (21,473,359)	\$ (59,648,220)

Bill Information:

Current Law

Current law provides for the following state retirement systems:

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- Louisiana State Employees’ Retirement System (LASERS)
- Teachers’ Retirement System of Louisiana (TRSL)
- Louisiana School Employees’ Retirement System (LSERS)
- State Police Pension and Retirement System (STPOL)

Separate benefit plan structures exist within LASERS and TRSL. Each structure or plan has been designed to accommodate specific employee groups. Plans can be categorized as either a plan for hazardous duty personnel or for non-hazardous duty personnel. A brief summary of the plans within each state system is given below:

LASERS

LASERS has many different plans that apply to future employees of the state. Some of the plans are for non-hazardous duty personnel and other are for those employed in hazardous professions. Each plan contains unique design features. The major structures are identified below.

Non Hazardous Duty Plans		Active Members
	Rank and File Employees	53,637
	Judicial Personnel	333
	Legislative Personnel	18
	Governor and Lieutenant Governor	2
	Clerk of House, Secretary of Senate	2
	Sergeants at Arms House & Senate	2
Hazardous Duty Plans		Active Members
	Wildlife	223
	Corrections Officers	5,216
	Crescent City Bridge Police	Unknown
	Alcohol Tobacco Control	48
	Peace Officers	114

TRSL

There are three plans within TRSL. These plans are all considered to be non-hazardous duty plans.

Non Hazardous Duty Plans		Active Members
	Regular Teachers	82,316
	Lunch Plan A Workers	144
	Lunch Plan B Workers	1,259

LSERS

There is only one plan structure in LSERS applicable to future new hires. This plan is a non hazardous duty plan. There are 12,589 active members in the plan.

STPOL

There is only one plan structure within STPOL applicable to new hires. This plan is a hazardous duty plan. There are 1,081 active members in the plan.

Proposed Law

HB 1337 will unify plan provisions for all state employees who are first employed on or after January 1, 2011. Three benefit structures will be created, one for non hazardous duty personnel, one for judges, and another for those employed in hazardous duty professions.

A comparison of the major plan provisions under current law with benefit structures under HB 1337 is shown below.

Plans for New Members

1. Non Hazardous Duty Employees
 - a. All employees except judges hired on or after January 1, 2011 into positions classified as non hazardous will participate in the Non Hazardous Duty Plan.
 - b. Separate benefits structures will no longer apply to court officers, the governor, the lieutenant governor, certain legislators, the clerk of the House, the secretary of the Senate, and the Sergeants at arms of the House and Senate. New hires in these positions will participate in the Non Hazardous Duty Plan.
2. Hazardous Duty Employees
 - a. The following employees associated with law enforcement employed on or after January 1, 2011 will participate in the Hazardous Duty Plan.

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- 1). Wildlife agents
 - 2). Wardens, correctional officers, security personnel, probation officers and parole officers.
 - 3). Crescent City bridge police.
 - 4). Alcohol and Tobacco Control officers
 - 5). Peace officers other than state troopers.
 - 6). Arson investigators employed by the state fire marshal
 - 7). Park rangers
 - 8). Campus police
 - 9). Hospital security officers
 - 10). Investigators of the Department of Justice
 - 11). Investigators of the office of state inspector general
 - 12). P.O.S.T certified personnel
- b. HB 1337 provides that personnel identified in items 7) through 12) above are to be classified as law enforcement personnel eligible to join the Hazardous Duty Plan.
3. Judges

Judges first employed on or after January 1, 2011 will participate in the Judges Plan.

A comparison of the major plan provisions that will apply to future members under current law with the benefit structures proposed under HB 1337 is given below.

Employee Contribution Requirements

Non Hazardous Duty Personnel		
	Current Provisions	HB 1337 Provisions
Regular Employees	8.0%	8.0%
Court Officers	11.5%	
Legislative Personnel	11.5%	
Governor and Lieutenant Governor	11.5%	
Clerk of House, Secretary of Senate	9.5%	
Sergeants at Arms House & Senate	9.5%	
Regular Teachers	8.0%	
LSERS Plan	7.5%	

Hazardous Duty Professions		
	Current Provisions	HB 1337 Provisions
Wildlife Officers	9.5%	9.5%
Corrections Officers	9.0%	
Crescent City Bridge Police	8.5%	
Alcohol Tobacco Control	9.0%	
Peace Officers	9.0%	
State Police	8.5%	
Personnel Added by HB 1337	8.0%	

Average Compensation

Non Hazardous Duty Personnel		
	Current Provisions	HB 1337 Provisions
Regular Employees	5 years: 15% anti-spiking	5 years: 15% anti-spiking
Court Officers	3 years	
Legislative Personnel	3 years	
Governor and Lieutenant Governor	3 years	
Clerk of House, Secretary of Senate	3 years	
Sergeants at Arms House & Senate	3 years	
Regular Teachers	3 years: 10% anti-spiking	
LSERS Plan	5 years: 10% anti-spiking	

Hazardous Duty Professions		
	Current Provisions	HB 1337 Provisions
Wildlife Officers	3 years	5 years: 15% anti-spiking
Corrections Officers	3 years	
Crescent City Bridge Police	3 years	
Alcohol Tobacco Control	3 years	
Peace Officers	3 years	
State Police	3 years: 25% anti-spiking	
Personnel Added by HB 1337	5 years: 15% anti-spiking	

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Retirement Eligibility

Non Hazardous Duty Personnel		
	Current Provisions	HB 1337 Provisions
Regular Employees	Age 60 with 10 years of service	Age 60 with 5 yrs of service Any age with 20 yrs of service actuarially reduced
Court Officers	<ul style="list-style-type: none">• Age 65 with 10 yrs as judge/court officer• Any age with 18 yrs as judge/court officer• Age 50 with 20 yrs of service (12 yrs as judge/court officer)• Age 55 with 12 yrs of service (12 yrs as judge/court officer)• Age 70, regardless of service	
Legislative Personnel	<ul style="list-style-type: none">• Any age with 16 yrs of service in position• Age 55 with 12 yrs of service in position	
Governor and Lieutenant Governor	Same as Legislative Personnel	
Clerk of House, Secretary of Senate	Same as Legislative Personnel	
Sergeants at Arms House & Senate	Same as Legislative Personnel	
Regular Teachers	<ul style="list-style-type: none">• Age 60 with 5 yrs of service• Age 55 with 25 yrs of service• Any age with 30 yrs of service• Any age with 20 yrs of service subject to actuarial reduction	
LSERS Plan	<ul style="list-style-type: none">• Age 60 with 10 yrs of service• Age 55 with 25 yrs of service• Any age with 30 yrs of service• Any age with 20 yrs of service subject to actuarial reduction	

Hazardous Duty Professions		
	Current Provisions	HB 1337 Provisions
Wildlife Officers	<ul style="list-style-type: none">• Age 60 with 10 yrs of service• Any age with 25 yrs of service	Any age with 25 years of service Age 55 with 12 yrs of service Any age with 20 yrs of service actuarially reduced
Corrections Officers	Same as Wildlife Officers	
Crescent City Bridge Police	<ul style="list-style-type: none">• Age 60 with 10 yrs of service• Any age with 25 yrs of service• Any age with 20 yrs of service subject to actuarial reduction	
Alcohol Tobacco Control	Same as Wildlife Officers	
Peace Officers	<ul style="list-style-type: none">• Age 60 with 10 yrs of service• Age 55 with 25 yrs of service• Any age with 30 yrs of service• Any age with 20 yrs of service subject to actuarial reduction	
State Police	<ul style="list-style-type: none">• Age 50 with 10 yrs of service• Any age with 25 yrs of service	
Personnel Added by HB 1337	Age 60 with 10 years of service	

Benefit Accrual Rate

Non Hazardous Duty Personnel		
	Current Provisions	HB 1337 Provisions
Regular Employees	2 1/2% per year of service	2 1/2% per year of service
Court Officers	2 1/2% per year of service plus 1% per year of service as judge/court officer	
Legislative Personnel	2 1/2% per year of service plus 1% per year of service in position	
Governor and Lieutenant Governor	Same as Legislative Personnel	
Clerk of House, Secretary of Senate	Same as Legislative Personnel	
Sergeants at Arms House & Senate	Same as Legislative Personnel	
Regular Teachers	2 1/2% per year of service	
LSERS Plan	3 1/3% per yr of service	

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Hazardous Duty Professions		
	Current Provisions	HB 1337 Provisions
Wildlife Officers	3 1/3% per year of service Normal Form is 75% J&S	3 1/3% per year of service Normal Form is 75% J&S
Corrections Officers	3 1/3% per year of service	
Crescent City Bridge Police	2 1/2% per year of service	
Alcohol Tobacco Control	3 1/3% per year of service	
Peace Officers	3 1/3% per year of service	
State Police	3 1/3% per year of service Normal Form is 100% J&S	
Personnel Added by HB 1337	2 1/2% per year of service	

Disability Retirement

Non Hazardous Duty Personnel		
	Current Provisions	HB 1337 Provisions
Regular Employees	<ul style="list-style-type: none">• 10 years of service• Accrued benefit at 2 1/2% per year of service	<ul style="list-style-type: none">• 10 years of service• Accrued benefit at 2 1/2% per year of service
Court Officers	Same as Regular Employees	
Legislative Personnel	Same as Regular Employees	
Governor and Lieutenant Governor	Same as Regular Employees	
Clerk of House, Secretary of Senate	Same as Regular Employees	
Sergeants at Arms House & Senate	Same as Regular Employees	
Regular Teachers	<ul style="list-style-type: none">• 5 years of service• Accrued benefit at 2 1/2% per year of service, but not less than the lesser of 75% x FAC or 40% x minimum beginning teacher salary• Survivor benefit upon death of disability retiree	
LSERS Plan	<ul style="list-style-type: none">• 10 years of service• Accrued benefit at 3% per year of service• Benefit paid as a 75% J&S	

Hazardous Duty Professions		
	Current Provisions	HB 1337 Provisions
Wildlife Officers	<i>Regular Disability</i> <ul style="list-style-type: none">• 10 years of service• 75% x accrued benefit• Normal Form is 75% J&S <i>Line of Duty Disability</i> <ul style="list-style-type: none">• 10 years of service• 60% x FAC	<i>Regular Disability</i> <ul style="list-style-type: none">• 10 years of service• Accrued benefit at 3 1/3% per year of service <i>Line of Duty Disability</i> <ul style="list-style-type: none">• No service requirement• 75% x FAC
Corrections Officers	<i>Regular Disability</i> <ul style="list-style-type: none">• Same as Regular Employees <i>Line of Duty Disability</i> <ul style="list-style-type: none">• If svc < 10yrs, 40% x FAC• If svc > 10 yrs, the greater of 40% x FAC or Accrued Benefit	
Crescent City Bridge Police	Same as Regular Employees	
Alcohol Tobacco Control	Same as Corrections Officers	
Peace Officers	Same as Corrections Officers	
State Police	<i>Regular Disability</i> <ul style="list-style-type: none">• 5 years of service• [50% + 1.5% x (svc > 10 yrs)] x FAC <i>Line of Duty Disability</i> <ul style="list-style-type: none">• No service requirement• Same as Regular Disability	
Personnel Added by HB 1337	Same as Regular Employees	

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Survivor Benefits

Non Hazardous Duty Personnel		
	Current Provisions	HB 1337 Provisions
Regular Employees	<ul style="list-style-type: none">• No spouse, no children – return of contributions• Spouse, no children – 50% x FAC• Spouse & children – 75% x FAC• Children, no spouse – 75% x FAC	<ul style="list-style-type: none">• No spouse, no children – return of contributions• Spouse, no children – accrued benefit actuarially reduced• Spouse & children – 50% x accrued benefit + 50% of spouse benefit paid to each child• No spouse, children – 50% of spouse benefit paid to each child
Court Officers	Same as Regular Employees	
Legislative Personnel	Same as Regular Employees	
Governor and Lieutenant Governor	Same as Regular Employees	
Clerk of House, Secretary of Senate	Same as Regular Employees	
Sergeants at Arms House & Senate	Same as Regular Employees	
Regular Teachers	<ul style="list-style-type: none">• No spouse, no children – return of contributions• Spouse, no children – accrued benefit actuarially reduced• Spouse & children – 50% x accrued benefit + 50% of spouse benefit paid to each child	
LSERS Plan	<ul style="list-style-type: none">• No spouse, no children – return of contributions• Spouse, no children – 50% x FAC• Spouse & children – 75% x FAC• No spouse, children – 75% x FAC	

Hazardous Duty Professions		
	Current Provisions	HB 1337 Provisions
Wildlife Officers	<i>Regular Death</i> <ul style="list-style-type: none">• Same as Regular Employees <i>Line of Duty Death</i> <ul style="list-style-type: none">• Various benefit payable to spouse and children	<i>Regular Death</i> <ul style="list-style-type: none">• No spouse, no children – return of contributions• Spouse, no children – accrued benefit actuarially reduced• Spouse & children – 50% x accrued benefit + 50% of spouse benefit paid to each child• No spouse, children – 50% of spouse benefit paid to each child <i>Line of Duty Death</i> <ul style="list-style-type: none">• 80% x FAC shared equally by spouse and children
Corrections Officers	<i>Regular Death</i> <ul style="list-style-type: none">• Same as Regular Employees <i>Line of Duty Death</i> <ul style="list-style-type: none">• Various benefit payable to spouse and children	
Crescent City Bridge Police	Same as Regular Employees	
Alcohol Tobacco Control	Same as Corrections Officers	
Peace Officers	Same as Corrections Officers	
State Police	<i>Regular Death</i> <p>Spouse</p> <ul style="list-style-type: none">• 5 yrs svc – 25% x FAC• 5 to 10 yrs svc – 30% x FAC• 10 to 15 yrs svc – 40% x FAC• 15 to 20 yrs svc – 50% x FAC• 20+ yrs svc – Accrued benefit <p>Children, no spouse</p> <ul style="list-style-type: none">• The greater of 60% x FAC or accrued benefit <i>Line of Duty Death</i> <p>Spouse</p> <ul style="list-style-type: none">• 75% x final salary <p>Children, no spouse</p> <ul style="list-style-type: none">• 75% x FAC	
Personnel Added by HB 1337	Same as Regular Employees	

The provisions of the Judge Plan for those first employed on or after January 1, 2011 will be the same as the provisions that apply to judges under current law except that new Judges will contribute 13.0% of pay rather than 11.5% of pay.

Implications of the Proposed Changes

HB 1337 establishes three retirement programs for state employees who are first employed on or after January 1, 2011. One plan will be established for employees in non hazardous duty positions. One plan will be established for judges. The third plan will pertain to law enforcement personnel engaged in hazardous duty roles.

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Cost Analysis

Analysis of Actuarial Costs

Retirement Systems

No unfunded accrued liabilities will be created by the enactment of HB 1337. The provisions of this bill apply only to state employees who will be hired in the future.

The only effective way to measure the impact of HB 1337 is to compare entry age normal costs pertaining to benefit provisions under current law with entry age normal costs applicable under the benefit provisions of HB 1337. This comparison has been made under the assumption that currently existing census characteristic of the plans will continue to exist when all active members have a hire date subsequent to January 1, 2011. These comparisons are given below.

Comparison of Total Entry Age Normal Cost Rates

Benefit Provisions	LASERS		TRSL	LSERS	STPOL
	Regular	Hazardous Duty			
Current Law					
Total Rate	9.62%	24.22%	10.54%	17.53%	26.70%
Employee Rate	8.00%	9.00%	8.00%	7.50%	8.50%
Employer Rate	1.62%	15.22%	2.54%	10.03%	18.20%
Decrease in Total Rates Due to Changes in:					
Employee Contribs	0.00%	-0.07%	0.00%	-0.12%	-0.21%
Normal Form	0.00%	-1.28%	0.00%	0.00%	0.94%
Accrual Rates	0.00%	0.00%	0.00%	3.59%	0.00%
Vesting Provisions	0.44%	0.00%	0.00%	0.50%	0.00%
Retirement Eligibility	0.00%	1.39%	0.67%	0.61%	1.24%
5 Year FAC	0.00%	1.26%	0.46%	0.00%	1.44%
Subtotal	0.44%	1.30%	1.13%	4.58%	3.41%
Proposed Law					
Total Rate	9.18%	22.92%	9.41%	12.95%	23.29%
Employee Rate	8.00%	9.50%	8.00%	8.00%	9.50%
Employer Rate	1.18%	13.42%	1.41%	4.95%	13.79%

Comparison of Total Entry Age Normal Cost Amounts

Benefit Provisions	LASERS		TRSL	LSERS	STPOL
	Regular	Hazardous Duty			
Payroll	\$ 2,200,000,000	\$ 225,000,000	\$ 3,700,000,000	\$ 300,000,000	\$ 58,000,000
Current Law					
Total Normal Cost	\$ 211,640,000	\$ 54,495,000	\$ 389,980,000	\$ 52,590,000	\$ 15,486,000
Employee Normal Cost	176,000,000	20,250,000	296,000,000	22,500,000	4,930,000
Employer Normal Cost	35,640,000	34,245,000	93,980,000	30,090,000	10,556,000
Proposed Law					
Total Normal Cost	\$ 201,960,000	\$ 51,570,000	\$ 348,170,000	\$ 38,850,000	\$ 13,508,200
Employee Normal Cost	176,000,000	21,375,000	296,000,000	24,000,000	5,510,000
Employer Normal Cost	25,960,000	30,195,000	52,170,000	14,850,000	7,998,200
Increase / (Decrease)					
Total Normal Cost	\$ (9,680,000)	\$ (2,925,000)	\$ (41,810,000)	\$ (13,740,000)	\$ (1,997,800)
Employee Normal Cost	0	1,125,000	0	1,500,000	580,000
Employer Normal Cost	(9,680,000)	(4,050,000)	(41,810,000)	(15,240,000)	(2,557,800)

Information pertaining to the Judges Plan is summarized below.

1. The values shown in the chart above are based on the assumption that the new Judges Plan will be identical to the plan for all regular LASERS members. Therefore the dollar amounts for LASERS regular employees are overstated.
2. If future judges receive the current benefit structure and contribute 13% of pay rather than the new non-hazardous duty structure and 8.0% of pay, the employer normal cost savings for LASERS Regular will be reduced from \$9,680,000 per year to 8,297,060 per year.

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Other Post Retirement Benefits

There are no actuarial costs or savings associated with HB 1337 for other post employment benefits.

Analysis of Fiscal Costs

The changes in employer and employee normal costs shown above will not be fully realized until all active members in the plans have an employment of 2011 or later. Nevertheless, normal costs in the aggregate for each system will be affected by the provisions of HB 1337 as soon as new employees are hired, become members, and accrue benefits under the new plan. The impact on employer normal costs in the aggregate will depend on turnover among existing staff and the need to hire new employees. It is estimated that about 6% of existing members will be replaced each year by new members for LASERS Non Hazardous Duty, LASERS Hazardous Duty, and TRSL. Replacement rates for LSERS will be about 12% a year, and for STPOL about 3% per year.

Increase / (Decrease) in Costs for 2010-11

	Payroll	Employee Contribution	Employer Normal Cost	Total Contribution
LASERS Non Hazardous Duty	\$ 66,000,000	\$ 0	\$ (290,400)	\$ (290,400)
LASERS Hazardous Duty	6,750,000	33,750	(121,500)	(87,750)
TRSL	111,000,000	0	(1,254,300)	(1,254,300)
LSERS	18,000,000	90,000	(914,400)	(824,400)
STPOL	870,000	8,700	(38,367)	(29,667)
Total	\$ 202,620,000	\$ 132,450	\$ (2,618,967)	\$ (2,486,517)

Increase / (Decrease) in Costs for 2011-12

	Payroll	Employee Contribution	Employer Normal Cost	Total Contribution
LASERS Non Hazardous Duty	\$ 198,000,000	\$ 0	\$ (871,200)	\$ (871,200)
LASERS Hazardous Duty	20,250,000	101,250	(364,500)	(263,250)
TRSL	333,000,000	0	(3,762,900)	(3,762,900)
LSERS	54,000,000	270,000	(2,743,200)	(2,473,200)
STPOL	2,610,000	26,100	(115,101)	(89,001)
Total	607,860,000	\$ 397,350	\$ (7,856,901)	\$ (7,459,551)

Increase / (Decrease) in Costs for 2012-13

	Payroll	Employee Contribution	Employer Normal Cost	Total Contribution
LASERS Non Hazardous Duty	\$ 330,000,000	\$ 0	\$ (1,452,000)	\$ (1,452,000)
LASERS Hazardous Duty	33,750,000	168,750	(607,500)	(438,750)
TRSL	555,000,000	0	(6,271,500)	(6,271,500)
LSERS	90,000,000	450,000	(4,572,000)	(4,122,000)
STPOL	4,350,000	43,500	(191,835)	(148,335)
Total	\$ 1,013,100,000	\$ 662,250	\$ (13,094,835)	\$ (12,432,585)

Increase / (Decrease) in Costs for 2013-14

	Payroll	Employee Contribution	Employer Normal Cost	Total Contribution
LASERS Non Hazardous Duty	\$ 462,000,000	\$ 0	\$ (2,032,800)	\$ (2,032,800)
LASERS Hazardous Duty	47,250,000	236,250	(850,500)	(614,250)
TRSL	777,000,000	0	(8,780,100)	(8,780,100)
LSERS	126,000,000	630,000	(6,400,800)	(5,770,800)
STPOL	6,090,000	60,900	(268,569)	(207,669)
Total	\$ 1,418,340,000	\$ 927,150	\$ (18,332,769)	\$ (17,405,619)

Increase / (Decrease) in Costs for 2014-15

	Payroll	Employee Contribution	Employer Normal Cost	Total Contribution
LASERS Non Hazardous Duty	\$ 594,000,000	\$ 0	\$ (2,613,600)	\$ (2,613,600)
LASERS Hazardous Duty	60,750,000	303,750	(1,093,500)	(789,750)
TRSL	999,000,000	0	(11,288,700)	(11,288,700)
LSERS	162,000,000	810,000	(8,229,600)	(7,419,600)
STPOL	7,830,000	78,300	(345,303)	(267,003)
Total	\$ 1,823,580,000	\$ 1,192,050	\$ (23,570,703)	\$ (22,378,653)

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The annual employee contributions and employer costs are understated in the above chart because judges will be provided current law benefits with a 13% employee contribution rate rather than the non-hazardous duty plan benefits with an 8.0% employee rate. Amounts of understatement are summarized below:

Fiscal Year	Under Statement Of Employee Contributions	Under Statement Of Employer Costs	Under Statement of Agency Self Generated Revenue
2010-11	\$ 59,100	\$ 41,488	\$ 100,588
2011-12	177,300	124,465	301,765
2012-13	295,500	207,441	502,941
2013-14	413,700	290,417	704,117
2014-15	531,900	373,394	905,294
Mature Plan	\$ 1,970,000	\$ 1,382,940	\$ 3,352,940

Based on the tables above the following conclusions can be drawn:

- 1. *Employer contributions* for all four state retirement systems (expenditures from State General Funds) will decrease under HB 1337.
- 2. *Employee contributions* in the aggregate to the four state retirement systems will increase under HB 1337.
- 3. *Total contributions* in the aggregate received by the four state retirement systems (Agency Self Generated revenue) will decrease under HB 1337.
- 4. *Benefit payments* in the aggregate (Agency Self Generated expenditures) will increase during the five year fiscal measurement period due to contribution refunds due to new members who leave employment. These payments will be relatively small.

Two of the four state retirement systems reported an increase in administrative costs. The combined cost is about \$60,000 for implementation and about \$6,000 a year thereafter.

Dual Referral

Senate

- ☐ 13.5.1 ≥ \$100,000 Annual Fiscal Cost
- ☐ 13.5.2 ≥ \$100,000 Annual Tax or Fee Change

House

- ☐ 6.8(F) ≥ \$100,000 Annual Fiscal Cost
- ☐ 6.8(G) ≥ \$100,000 Tax or Fee Increase or a Net Fee Decrease